

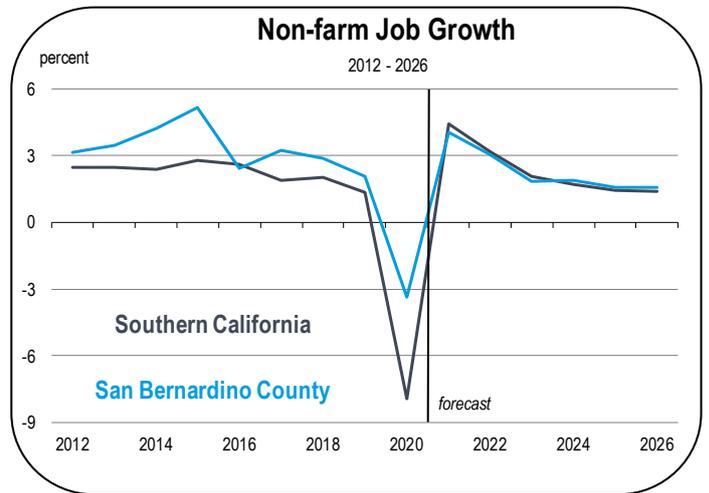
San Bernardino County Economic Forecast

Forecast Summary

- San Bernardino County lost 26,600 jobs in 2020 on an annual average basis.
- In 2021, most of the pandemic related job loss will be restored, and an estimated total of 30,800 jobs will be created, surpassing the pre-pandemic level of total employment.
- Employment gains in 2021 will be largest in leisure services, transportation and warehousing, private education and healthcare, and manufacturing.
- The unemployment rate averaged 9.5 percent in 2020. It is expected to average 7.4 percent in 2021.
- The San Bernardino County population is expanding faster than the population of broader Southern California, and this trend will continue. Because of new job opportunities, affordable home prices, and new home building, net migration into the county will be positive.
- More housing units will be built over the 2021-2026 period than the 2015-2020 period.
- Home prices rose unexpectedly in 2020, increasing by 12 percent. Prices are forecast to increase by 7 to 9 percent in 2021.

Job Growth

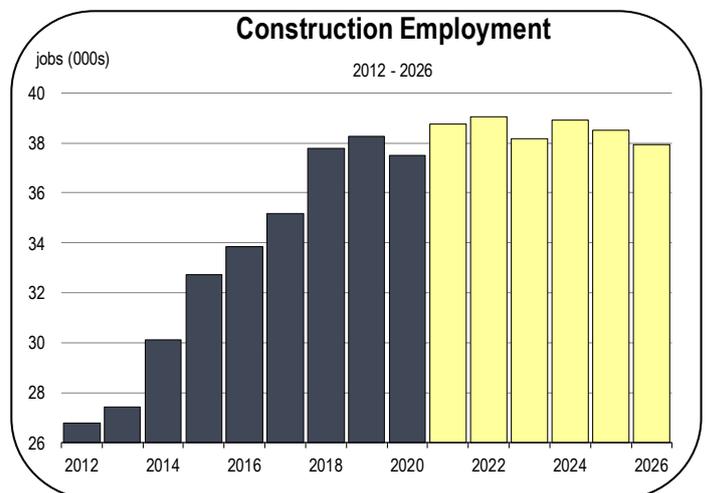
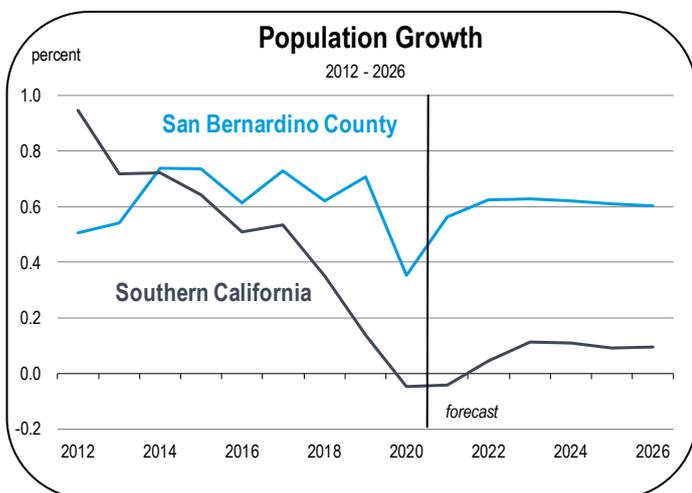
- Total employment in San Bernardino County will expand by 4.0 percent in 2021 on an annual average basis.



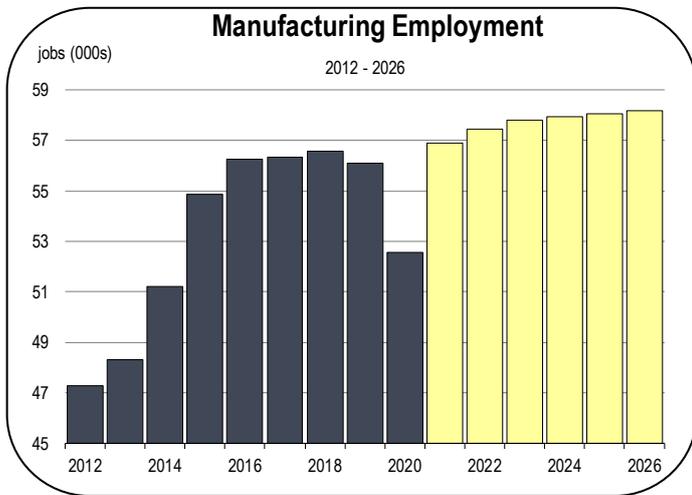
- Over the entire forecast period, job growth in San Bernardino County will be similar to the Southern California average.

Construction Employment

- Construction employment declined by 2 percent in 2020.
- The Coronavirus Recession had a minimal impact on the construction industry, and employment levels had almost fully recovered by early 2021.
- The construction sector is expected to gain approximately 1,300 jobs in 2021 and another 300 jobs in 2022.
- After 2022, construction employment is expected to remain relatively constant.



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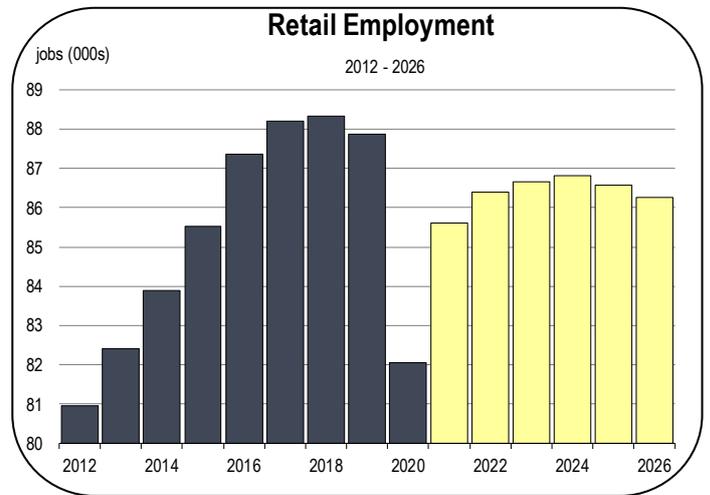
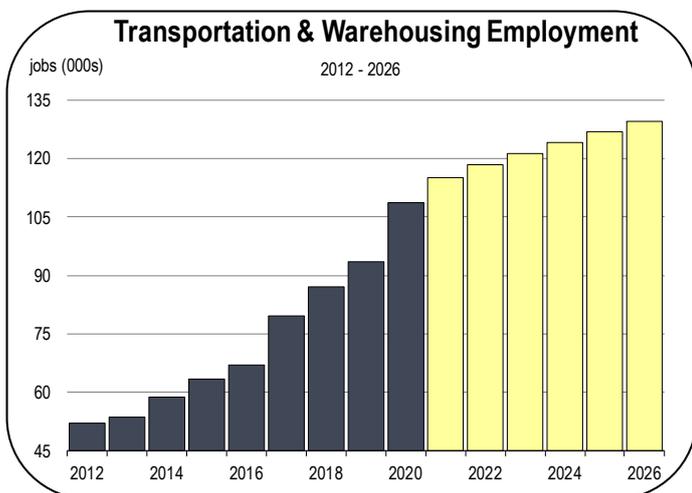


Manufacturing Employment

- San Bernardino County manufacturing employment contracted by 3,500 jobs last year, a decline of 6 percent.
- Approximately 4,300 jobs will be generated in 2021 and another 600 could be created in 2022.

Transportation and Warehousing Employment

- Transportation and warehousing was among the few sectors that expanded during 2020.
- Logistics - the collection and distribution of goods to consumers - dominates this sector. The principal occupations are warehouse jobs (55,000 in 2020) trucking jobs (21,000) and local delivery jobs (16,000).
- The overall transportation and warehousing industry generated 15,200 new jobs in 2020 with all major subsectors expanding rapidly.



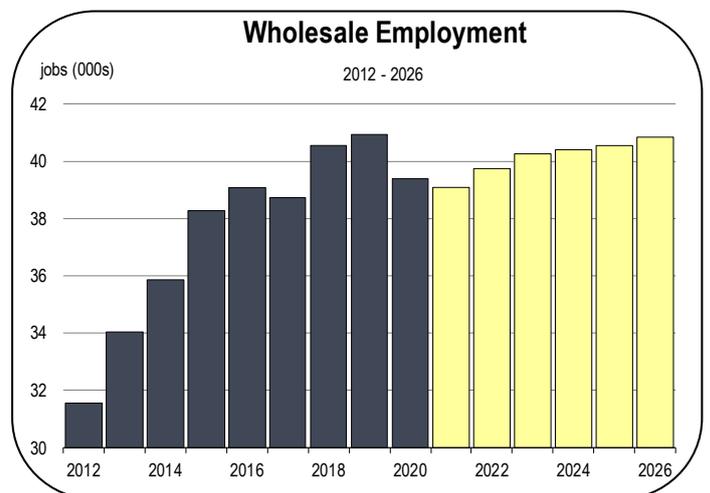
- This sector will continue to expand throughout the forecast period and will grow more quickly than almost any other industry.

Retail Trade Employment

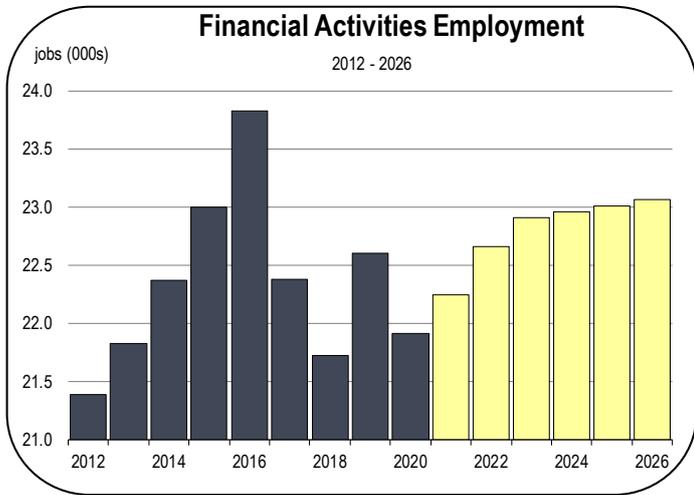
- Retail employment declined by almost 7 percent in 2020, a contraction of 5,800 jobs.
- The heaviest losses were at car dealers, clothing stores, and big box department stores.
- Grocery store employment increased during 2020.
- Retail employment will rebound sharply in 2021 as storefronts open up to higher capacities, but automation and the transition to online shopping will leave local retail jobs vulnerable to contraction over time.

Wholesale Trade Employment

- Wholesale trade employment declined by 3.7 percent on an annual average basis in 2020.



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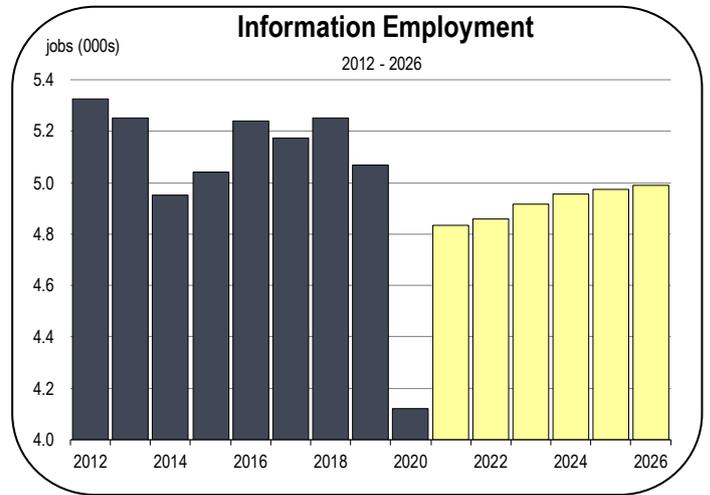
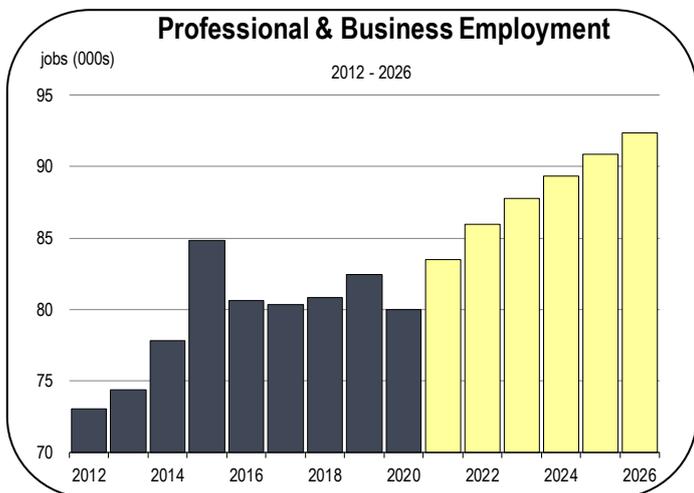
- Wholesale trade employment will begin its recovery in 2022, and growth is forecast to continue over the next 5 years.

Financial Activities Employment

- The financial activities industry lost 700 jobs in 2020.
- A recovery has already begun, and employment levels in this sector should increase by 300 jobs in 2021 and another 400 jobs in 2022.
- Most growth will be observed at real estate brokerages and leasing offices.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession.



- The two largest subsectors - staffing agencies and building maintenance firms - experienced losses during 2020, but are expected to bounce back quickly in 2021 and 2022.
- Staffing agencies primarily employ temporary workers. Temporary workers are usually laid off first during a downturn, but hired back first during a recovery.
- Because many office buildings were vacant in 2020, building maintenance services were curtailed. By the second half of 2021, many office buildings will be full again, which will restore demand for maintenance services.
- Aside from staffing agencies and building maintenance services, jobs losses were minimal across most subsectors.

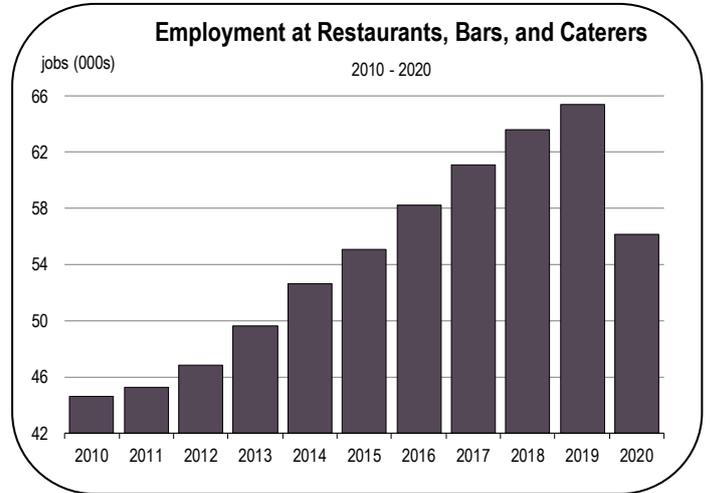
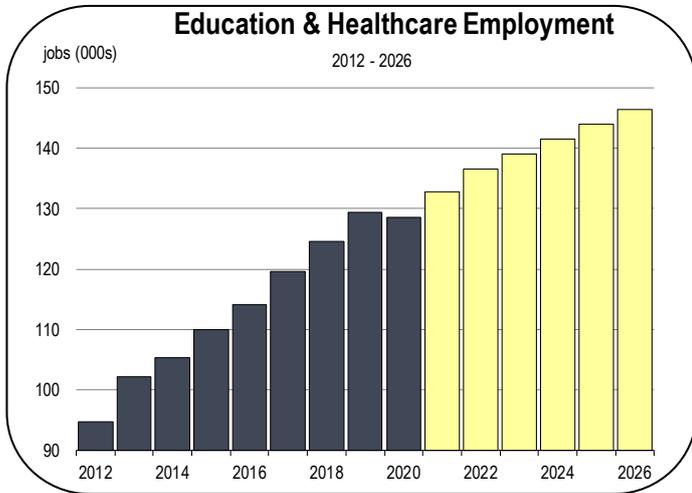
Information Employment

- In San Bernardino County, the information sector is dominated by telecommunications firms and movie theaters.
- Across all subsectors, approximately 900 jobs were lost in 2020, representing a sharp decline of 19 percent.
- The information industry is expected to re-gain a substantial number of jobs in 2021, but will experience minimal net growth for the remainder of the forecast period.

Private Education and Healthcare Employment

- Healthcare jobs were relatively recession proof during the 2008-2009 financial crisis and were largely unaffected by the Coronavirus Recession.
- Private schools and tutoring centers declined sharply last year.

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- Overall, the healthcare and education industry will create 4,200 jobs in 2021 and gain another 3,800 jobs in 2022.

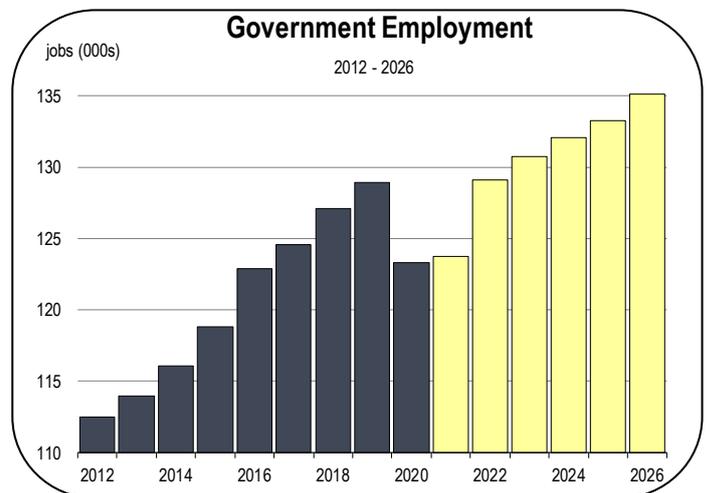
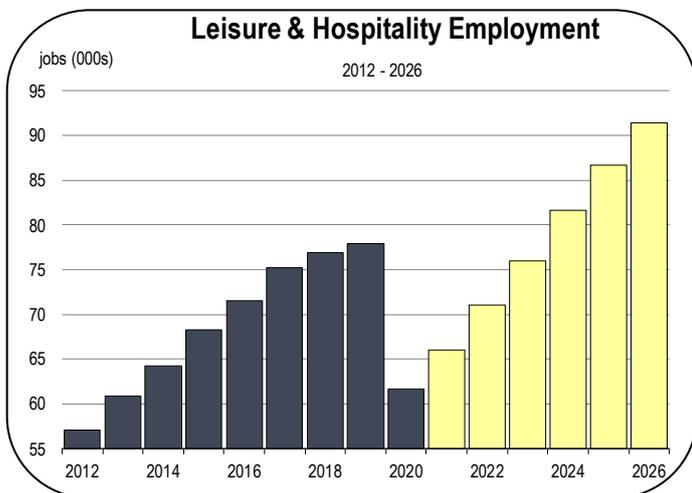
- The leisure and hospitality sector is expected to regain 4,400 jobs in 2021 and another 5,000 jobs in 2022, but it could take several years for the industry to fully recover.

Leisure and Hospitality Employment

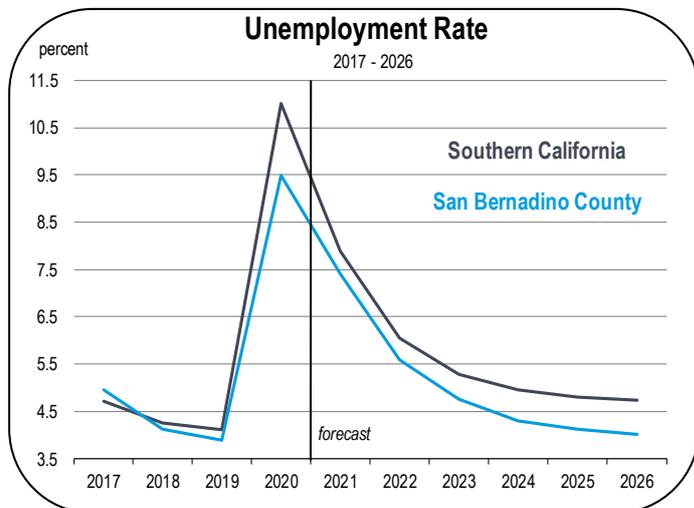
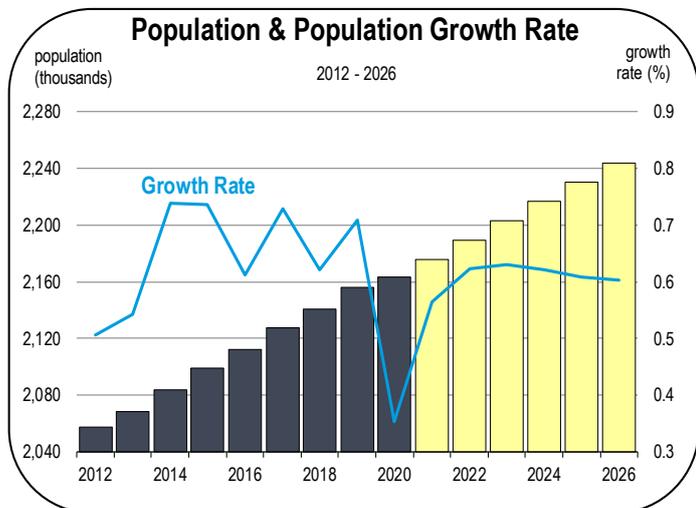
- Leisure and hospitality firms were impacted by restricted business conditions more than any other sector of the labor market.
- In 2020, employment levels in restaurants, bars, and catering services decline by 9,200 jobs, a decrease of 14 percent.
- Employment at entertainment and recreation centers declined by 21,000 jobs (27 percent). Hotels and motels contracted by 700 jobs (16 percent).
- Leisure and hospitality employment could rebound meaningfully in the second half of 2021 due to a surge in travel, dining, drinking, and recreation throughout San Bernardino County.

Government Employment

- State and local government agencies lost 6,300 jobs during 2020.
- Federal government agencies added 700 jobs in 2020, but this was mainly due the Decennial Census, which creates temporary government jobs every 10 years. These Census jobs have already ended.
- Total government employment will begin to recover in fiscal 2022, and the return of state and local government jobs will become more apparent in calendar 2022.



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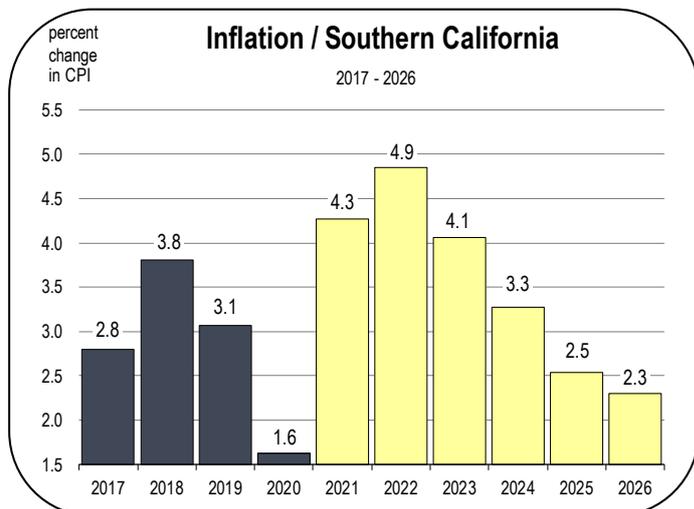
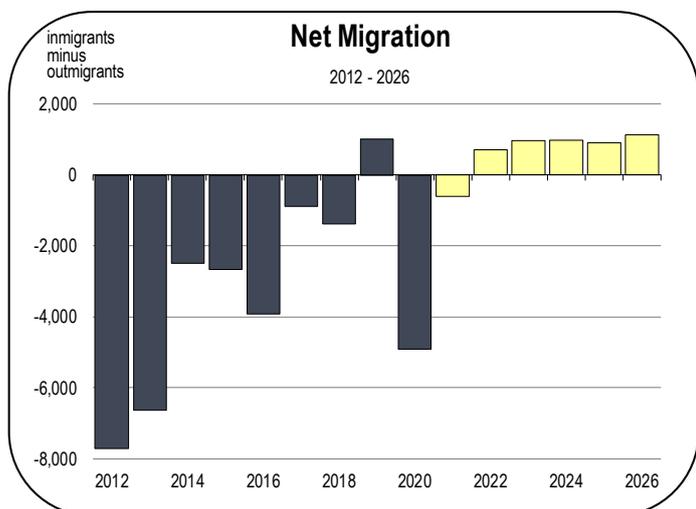
Population Growth

- Population growth decelerated in 2020 to the slowest rate in a decade.
- The jobs fallout in 2020 precipitated significant out-migration. Approximately 5,000 net migrants exited the county last year. The job market will rebound in 2021 and 2022. Expanding job opportunities will lead to a wave of in-migration.
- An average of 675 net migrants are expected each year between 2021 and 2026. During the forecast period, population growth will average 0.6 percent per year and the county will surpass 2.24 million residents by 2026.

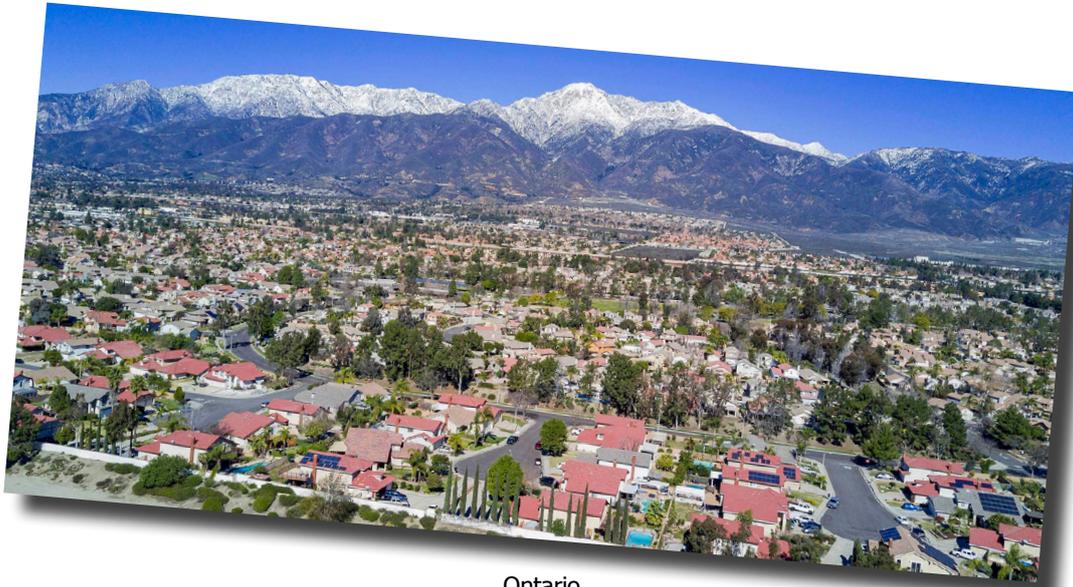
Unemployment and Inflation Rates

- The unemployment rate in San Bernardino County averaged 9.5 percent in 2019, which was the composite rate for Southern California.

- The unemployment rate is expected to average 7.4 percent in 2021 and 5.6 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages



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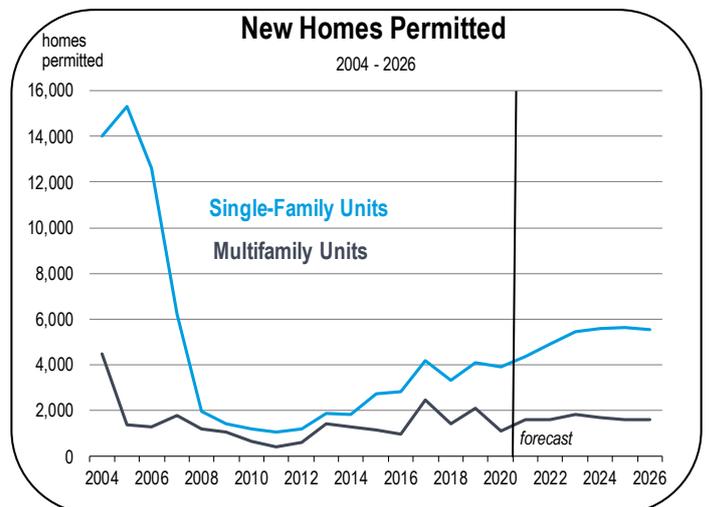
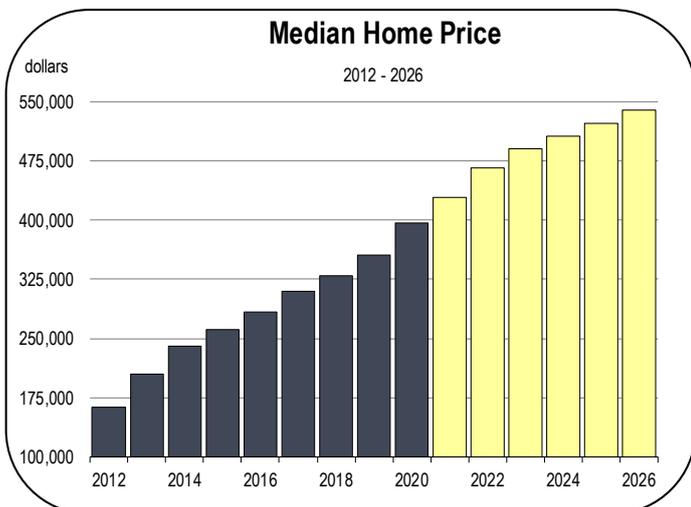
Ontario

- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

- Home selling prices will increase in 2021 at a rate between 7 and 9 percent. Providing supply remains a constraining factor, selling prices will move higher over the forecast.
- Between 2015 and 2020, approximately 5,000 homes were built each year.
- Homebuilding was primarily focused on single-family homes rather than multifamily units between 2015 and 2020.
- Between 2021 and 2026, production will average 6,800 units per year. Most will be single-family.

Home Prices and New Housing Production

- The median home price was \$396,400 in 2020, an increase of 12 percent from the previous year.



San Bernardino County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	2,099,252	625.6	-2,676	3,912	1,761	\$77	\$23	\$36	16.7	\$41,725	6.5	\$528	0.9
2016	2,112,105	629.4	-3,929	3,761	1,842	\$80	\$24	\$37	16.8	\$42,545	5.8	\$510	1.9
2017	2,127,482	634.1	-886	6,672	1,854	\$83	\$25	\$38	17.0	\$42,623	5.0	\$505	2.8
2018	2,140,676	638.7	-1,383	4,713	1,883	\$87	\$26	\$41	17.2	\$42,566	4.1	\$517	3.8
2019	2,155,834	643.5	1,010	6,158	1,938	\$92	\$27	\$42	17.8	\$43,208	3.9	\$390	3.1
2020	2,163,451	646.2	-4,917	5,020	1,952	\$97	\$28	\$42	20.6	\$44,656	9.5	\$403	1.6
2021	2,175,665	647.0	-608	5,938	1,971	\$100	\$28	\$43	21.4	\$44,816	7.4	\$430	4.3
2022	2,189,230	652.4	705	6,485	1,987	\$104	\$29	\$44	21.6	\$45,356	5.6	\$428	4.9
2023	2,203,014	658.2	962	7,292	2,002	\$109	\$30	\$45	22.1	\$46,014	4.8	\$425	4.1
2024	2,216,709	664.7	973	7,270	2,015	\$114	\$31	\$47	22.5	\$46,559	4.3	\$422	3.3
2025	2,230,198	671.2	902	7,202	2,027	\$119	\$31	\$48	22.9	\$47,029	4.1	\$420	2.5
2026	2,243,649	677.6	1,127	7,124	2,037	\$124	\$32	\$48	23.4	\$47,538	4.0	\$418	2.3
2027	2,256,279	684.0	683	6,824	2,047	\$129	\$32	\$49	23.8	\$48,092	4.0	\$417	2.1
2028	2,268,039	690.1	162	6,492	2,057	\$134	\$32	\$50	24.2	\$48,590	4.0	\$415	2.1
2029	2,279,470	695.9	102	6,318	2,066	\$139	\$33	\$51	24.5	\$48,940	3.9	\$413	2.1
2030	2,290,929	701.6	344	6,212	2,074	\$145	\$34	\$53	24.8	\$49,323	3.9	\$412	2.1
2031	2,301,674	707.1	232	6,206	2,083	\$150	\$35	\$54	25.1	\$49,653	4.0	\$411	2.2
2032	2,311,646	712.7	-48	6,185	2,093	\$155	\$36	\$55	25.4	\$49,845	4.0	\$409	2.1
2033	2,321,035	718.2	-231	6,170	2,102	\$160	\$37	\$57	25.8	\$50,181	4.0	\$409	1.9
2034	2,329,560	723.7	-437	6,169	2,112	\$165	\$38	\$58	26.1	\$50,474	4.0	\$408	2.0
2035	2,337,629	729.2	-461	6,161	2,122	\$170	\$39	\$60	26.4	\$50,742	4.1	\$407	2.0
2036	2,344,958	734.8	-655	6,133	2,132	\$176	\$40	\$62	26.7	\$50,903	4.1	\$404	2.1
2037	2,352,064	740.2	-390	6,107	2,143	\$182	\$42	\$63	26.9	\$51,026	4.1	\$401	2.1
2038	2,358,616	745.7	-341	6,053	2,155	\$188	\$43	\$65	27.2	\$51,209	4.1	\$398	2.0
2039	2,364,764	751.1	-342	5,995	2,167	\$195	\$44	\$67	27.4	\$51,350	4.1	\$395	2.1
2040	2,370,940	756.5	49	5,935	2,180	\$201	\$45	\$69	27.6	\$51,499	4.1	\$392	2.0
2041	2,376,717	761.8	188	5,857	2,192	\$207	\$46	\$71	27.9	\$51,759	4.1	\$391	2.1
2042	2,382,111	767.0	212	5,805	2,205	\$214	\$47	\$72	28.2	\$52,057	4.1	\$391	2.0
2043	2,387,149	772.2	201	5,753	2,217	\$220	\$48	\$74	28.5	\$52,390	4.1	\$390	1.9
2044	2,391,831	777.4	139	5,707	2,230	\$227	\$49	\$75	28.9	\$52,777	4.1	\$391	2.0
2045	2,395,885	782.5	12	5,660	2,241	\$233	\$50	\$77	29.2	\$53,132	4.1	\$391	2.1
2046	2,399,612	787.5	-63	5,626	2,252	\$240	\$51	\$79	29.5	\$53,453	4.1	\$390	2.1
2047	2,402,912	792.6	-241	5,600	2,263	\$247	\$53	\$80	29.7	\$53,680	4.1	\$389	2.1
2048	2,405,853	797.6	-328	5,594	2,273	\$254	\$54	\$82	29.9	\$53,880	4.1	\$388	2.2
2049	2,408,418	802.6	-361	5,593	2,283	\$261	\$55	\$84	30.2	\$54,176	4.1	\$388	1.9
2050	2,410,632	807.6	-451	5,606	2,292	\$269	\$56	\$86	30.4	\$54,440	4.1	\$387	2.0

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	710.1	2.2	32.7	54.9	63.3	123.8	23.0	84.8	5.0	109.9	68.3	118.8
2016	727.1	1.9	33.8	56.3	67.0	126.4	23.8	80.7	5.2	114.1	71.5	122.9
2017	750.9	2.2	35.2	56.3	79.6	126.9	22.4	80.3	5.2	119.7	75.2	124.6
2018	772.7	2.2	37.8	56.6	87.1	128.9	21.7	80.9	5.3	124.5	76.9	127.1
2019	788.6	2.2	38.3	56.1	93.4	128.8	22.6	82.5	5.1	129.4	77.9	128.9
2020	761.9	2.0	37.5	52.6	108.6	121.5	21.9	80.0	4.1	128.6	61.6	123.3
2021	792.8	1.9	38.8	56.9	115.1	124.7	22.2	83.5	4.8	132.8	66.0	123.7
2022	816.9	1.9	39.0	57.4	118.4	126.1	22.7	86.0	4.9	136.6	71.0	129.1
2023	832.0	1.8	38.2	57.8	121.3	126.9	22.9	87.8	4.9	139.1	76.0	130.7
2024	847.8	1.8	38.9	57.9	124.1	127.2	23.0	89.3	5.0	141.5	81.6	132.1
2025	861.1	1.8	38.5	58.1	126.9	127.1	23.0	90.9	5.0	144.0	86.7	133.3
2026	874.5	1.8	37.9	58.2	129.6	127.1	23.1	92.3	5.0	146.4	91.4	135.1
2027	887.8	1.7	37.7	58.3	132.1	127.1	23.1	93.8	5.0	148.8	96.0	136.8
2028	900.6	1.7	37.6	58.4	134.6	127.3	23.2	95.2	5.1	151.2	100.2	138.2
2029	913.1	1.7	37.5	58.5	137.0	127.8	23.2	96.6	5.1	153.6	104.1	139.5
2030	926.1	1.7	38.3	58.7	139.3	128.5	23.3	97.9	5.1	156.0	107.7	140.8
2031	937.0	1.7	38.3	58.8	141.5	128.8	23.4	99.3	5.1	158.3	110.4	142.0
2032	946.6	1.7	37.7	58.9	143.7	129.2	23.5	100.5	5.1	160.6	112.7	143.2
2033	956.2	1.7	37.8	59.0	145.9	129.7	23.5	101.8	5.2	162.9	114.5	144.2
2034	965.2	1.6	37.8	59.1	148.0	130.1	23.6	103.0	5.2	165.2	116.0	145.1
2035	973.6	1.6	37.7	59.2	150.0	130.6	23.7	104.2	5.2	167.5	117.2	146.0
2036	982.3	1.6	37.9	59.4	152.0	131.1	23.7	105.3	5.2	169.7	118.4	146.7
2037	990.3	1.6	37.9	59.5	154.0	131.5	23.8	106.5	5.2	171.9	119.6	147.3
2038	997.9	1.6	37.7	59.6	155.9	131.9	23.8	107.6	5.2	174.1	120.7	147.9
2039	1,005.7	1.6	37.7	59.7	157.8	132.3	23.9	108.6	5.2	176.3	121.9	148.5
2040	1,013.0	1.6	37.6	59.8	159.6	132.6	24.0	109.7	5.2	178.5	123.1	149.0
2041	1,020.2	1.6	37.4	59.9	161.3	132.9	24.0	110.7	5.2	180.6	124.2	149.5
2042	1,027.4	1.6	37.5	60.1	163.1	133.3	24.1	111.7	5.2	182.7	125.2	150.0
2043	1,034.6	1.6	37.5	60.2	164.8	133.6	24.2	112.6	5.2	184.8	126.4	150.5
2044	1,041.7	1.6	37.6	60.3	166.4	133.9	24.3	113.6	5.2	186.9	127.6	150.9
2045	1,048.4	1.6	37.3	60.5	168.0	134.3	24.3	114.5	5.2	189.0	128.8	151.2
2046	1,055.1	1.5	37.6	60.6	169.6	134.7	24.4	115.3	5.3	191.0	129.8	151.5
2047	1,061.2	1.5	37.4	60.7	171.1	134.9	24.4	116.2	5.3	193.1	130.8	151.8
2048	1,067.5	1.5	37.3	60.8	172.6	135.3	24.5	117.0	5.3	195.1	131.7	152.1
2049	1,073.8	1.5	37.4	60.9	174.1	135.7	24.6	117.9	5.3	197.1	132.6	152.3
2050	1,079.7	1.5	37.4	61.0	175.6	136.0	24.6	118.6	5.3	199.1	133.4	152.5

San Bernardino County Economic Forecast

Socioeconomic Indicators

